

## § 252.24

## 46 CFR Ch. II (10–1–04 Edition)

Office of Subsidy Administration, Maritime Administration, Washington, DC 20590, upon the completion of each subsidized voyage. Each voyage report shall include the following:

(1) Name of vessel and voyage number.

(2) Subsidy contract number.

(3) Vessel activity, including the following:

(i) Ports of voyage commencement and termination, including dates and times.

(ii) Loading ports, including dates of arrival and departure and long tons of cargo loaded (specify commodity).

(iii) Discharge ports, including dates of arrival and departure and long tons of cargo discharged.

(iv) Other ports, ports of bunkering, emergency calls, etc., including dates of arrival and departure (specify reason for call).

(4) All reduced crew periods, all periods of idleness, lay-up and delay, and all related correspondence with the Region Director.

(b) *Condition of vessels, inspection and repairs.* In order that the Maritime Administration may participate in the inspection of vessels, in compliance with part 272 of this subchapter, the operator shall give at least 24 hours notice to the Region Director as to the time and place of vessel inspections.

(c) *Vessel insurance*—(1) *Policies.* Upon the binding of any insurance policy with respect to a subsidized vessel, the operator shall submit promptly to the Director, Office of Marine Insurance, Maritime Administration, Washington, DC 20590, for approval of the Maritime Administration, a signed copy of each cover note issued by the operator's brokers, which, to the extent applicable, shall set forth as to such vessel the amounts covered by hull, increased value and other forms of total loss protection, as well as protection and indemnity insurance. Such cover notes shall include the rates, the amounts placed in the different markets, the participating underwriters, the amount underwritten by each underwriter, and the amounts of the deductibles. Upon request, copies of the policy shall be submitted to the Maritime Administration for examination.

(2) *Cancellation and policy changes.*

The operator shall advise the Maritime Administration promptly of the cancellation of any policy of insurance, any changes in the terms or underwriters of any policy of insurance, any period of lay-up that permits the collection of return premiums, and the occurrence of any major casualty or total loss covered by a policy of insurance.

(d) *Financial statements.* The operator shall submit, in triplicate, to the Director, Office of Financial Approvals, Maritime Administration, Washington, DC 20590, the following reports, including management footnotes where necessary to make a fair financial presentation:

(1) Not later than 120 days after the close of the operator's semiannual accounting period, a Form MA-172 on a semiannual basis, in accordance with 46 CFR 232.6.

(2) Not later than 120 days after the close of the operator's annual accounting period an audited annual financial statement, in accordance with 46 CFR 232.6.

(Reporting requirements for paragraph (a) were approved by the Office of Management and Budget under control number 2133-0024 and reporting requirements for paragraph (d) were approved by the Office of Management and Budget under control number 2133-005)

[40 FR 43490, Sept. 22, 1975, as amended at 45 FR 30443, May 8, 1980; 47 FR 25530, June 14, 1982. Redesignated and amended at 51 FR 40426, Nov. 7, 1986]

## § 252.24 Continued eligibility for subsidy.

Operators shall remain eligible for ODS so long as they are engaged in service which would, under this part and sections 601(a), 602, and 605(c) of the Act, qualify for approval of an ODSA. The payment of ODS will be made only for carriage of commercial cargoes for which U.S.-flag vessels are in direct competition with foreign-flag vessels. An example of cargo that is excluded is bulk cargo reported by a shipper as the U.S.-flag share of cargoes subject to an agreement (including a unilateral commitment by a foreign government which has the effect of reserving cargoes for U.S.-flag vessels), between the United States and a foreign government in connection with

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any U.S. cash transfer foreign assistance program. In such a circumstance, there is no foreign-flag competitions for such cargoes.

[54 FR 39182, Sept. 25, 1989]

### Subpart D—Calculation of Subsidy Rates

SOURCE: 51 FR 40426, Nov. 7, 1986, unless otherwise noted.

#### § 252.30 Amount of subsidy payable.

(a) *Daily rates.* Daily ODS rates shall be used to quantify the amount of ODS payable except for the ODS rates applicable to maintenance and repair expenses, as described separately in § 252.32. The daily ODS rate represents the cost differential between the subsidized vessel and its foreign-flag competition. A daily rate shall be calculated for each subsidized item of expense identified in the ODSA (with the exception of ODS rates applicable to maintenance and repair expenses), and the total of all items is the daily amount of ODS payable for approved vessel operating days, excluding reduced crew periods.

(b) *Reduced crew periods.* For reduced crew periods, as defined in § 252.3 of this part, a man-day reduction amount, calculated separately for officers and unlicensed crew members, shall be used to reduce the daily wage ODS rate to conform to the complement remaining on the vessel. The man-day reduction amounts shall be determined by dividing the daily wage ODS for officers and unlicensed crew members by the number of subsidizable crew members in each category. For each day of a reduced crew period, the man-day amount shall be multiplied by the number of crew members missing for that day, and the resulting product shall be deducted from the daily ODS rate. The difference shall be the ODS payable for such day. (See illustration in Schedule C at § 252.41 of this part.)

(c) *Review of rates.* Daily subsidy rates shall be reviewed every six months. For the item, "wages of officers and crews," the daily rate shall be calculated for fiscal periods July 1 through June 30, in accordance with provisions of the Act. During the pe-

riod January through June, adjustments—paid as a lump sum or as a daily amount—shall be made to wage ODS so that the correct amount of ODS for the full fiscal period is received by the operator. For other subsidizable items of expense, the daily rate shall be calculated for calendar years.

(d) *Negative rates.* When an ODS rate in any category is less than zero, indicating that the subsidized operator is at an advantage rather than a disadvantage in such category, the negative rate shall be deducted from positive rates in determining the daily ODS amount payable.

(e) *Operator Comments.* The operator shall have the opportunity to comment on each subsidy rate as calculated by MARAD. The operator and contracting officer shall make every effort to resolve disagreements that arise. In the event of a disagreement that cannot be resolved, comments received from the operator and the contracting officer's recommendation shall be presented to the Board for its consideration in determining subsidy rates.

[51 FR 40426, Nov. 7, 1986, as amended at 58 FR 17349, Apr. 2, 1993]

#### § 252.31 Wages of officers and crews.

(a) *Definitions.* When used in this part:

(1) *Base period.* The first base period under the wage index systems, as provided in section 603 of the Act, is the period beginning July 1, 1970 and ending June 30, 1971. Thereafter, base period means any annual period beginning July 1 and ending June 30, with respect to which the Board establishes a base period cost. At intervals of not less than two years, nor more than four years, the Maritime Subsidy Board shall establish a new base period. Base periods shall be announced by the Board prior to the December 31 date that would be included in the new base period.

(2) *Base period cost*—(i) *Initial base period.* For the initial base period of subsidized service, the term *base period cost* means the collective bargaining cost as of January 1 of that base period.

(ii) *Subsequent base periods.* For base periods subsequent to the initial base